



WYOMING LEGISLATIVE SERVICE OFFICE
MATT OBRECHT, *Director*

January 12, 2018

To: Members, Management Audit Committee

From: Matt Obrecht, LSO

Subject: Proposed Use of Program Evaluation Section and Task of the Management Audit Committee for the 2019-2020 Biennium

As you are all well aware, the State of Wyoming continues to struggle with lagging revenues. As a result, I was asked to prepare a budget for the Wyoming Legislative Branch for the fiscal years 2019 and 2020 biennium which was as nearly flat as possible. This was a difficult task given the structure of the legislative budget. Over 80% of the legislative budget is geared toward personnel costs, with the vast majority of the remaining budget going to expenses associated with personnel. Add to this mix the need to increase LSO Budget/Fiscal staff by two positions to address the sizeable increase in their requests and that left me with some difficult choices to make. Unfortunately, Program Evaluation will bear the brunt of those tough choices.

The initial legislative budget recommendations I presented to Management Council had funding for 36 positions for LSO for both years of the biennium. Those positions include all of the currently filled positions and 1 currently unfilled Legislative Editor position. What the proposed legislative budget did not include was funding for both years of the biennium for two vacant positions in the Program Evaluation Section.¹ Those two vacant program evaluator positions are only funded for the second year of the biennium (FY 2020) thereby reducing the LSO personnel budget by approximately \$194,089.

With only 2 evaluators and an interim manager on staff, the Program Evaluation Section is currently below the threshold staffing level necessary to conduct comprehensive audits for the remainder of fiscal year 2018 and all of fiscal year 2019.

¹ The Program Evaluation Section had at one time seven funded positions (a Manager and six Program Evaluators). Currently, there is six authorized positions in the section, but only five positions were funded for this biennium.

In all adversity there is of course opportunity, and this situation presents the Management Audit Committee (MAC) and the Legislative Service Office with the opportunity to conduct a thorough review of the Wyoming Legislature's audit process, audit products and schedule without the distraction of attempting to conduct outside program audits while this review is ongoing.

Let me be clear that I am not proposing eliminating the Program Evaluation Section or the Wyoming Legislature's audit function. Rather I am recommending a hiatus to thoroughly review our audit function. In addition to continuing to produce scoping papers, audit reviews and assisting in other LSO duties, my proposal includes the Program Evaluation Staff to work with the Management Audit Committee during the 2018 interim to develop proposals for statutory, staffing or policy changes so that the audit function is responsive to the direction of the MAC and the Legislature. This work has already been proposed for consideration by a Subcommittee of MAC, this proposal would have the full committee consider these questions and others:

1. What information should an audit conducted by the Wyoming legislative branch contain?
2. What is an auditable program?
3. What is the appropriate staffing level for Program Evaluation?
4. Are there other products in addition to full audits that the Program Evaluation Section could produce?
5. What is the appropriate level of MAC involvement through the audit process?

While I do believe we can make good use of this time necessitated by a constrained budget, also please know that this is just a proposal. If the Legislature determines that audits are priority throughout 2019, the budget can be increased or other areas of the budget could potentially be cut. I am confident that Joy, Karla and Elizabeth, could form the nucleus of a high functioning program evaluation.

I look forward to discussing this issue with all of you on the morning of January 23. Please feel free to call me in the meantime with any questions.